

**CLEAN, RENEWABLE, AND EFFICIENT ENERGY ACT (EXCERPT)**  
**Act 295 of 2008**

PART 1.  
GENERAL PROVISIONS

\*\*\*\*\* 460.1001 THIS SECTION IS AMENDED EFFECTIVE APRIL 20, 2017: See 460.1001.amended  
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**460.1001 Short title; purpose of act.**

Sec. 1. (1) This act shall be known and may be cited as the "clean, renewable, and efficient energy act".

(2) The purpose of this act is to promote the development of clean energy, renewable energy, and energy optimization through the implementation of a clean, renewable, and energy efficient standard that will cost-effectively do all of the following:

- (a) Diversify the resources used to reliably meet the energy needs of consumers in this state.
- (b) Provide greater energy security through the use of indigenous energy resources available within the state.
- (c) Encourage private investment in renewable energy and energy efficiency.
- (d) Provide improved air quality and other benefits to energy consumers and citizens of this state.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1001.amended THIS AMENDED SECTION IS EFFECTIVE APRIL 20, 2017 \*\*\*\*\*

**460.1001.amended Short title; purpose and goal of act.**

Sec. 1. (1) This act shall be known and may be cited as the "clean and renewable energy and energy waste reduction act".

(2) The purpose of this act is to promote the development and use of clean and renewable energy resources and the reduction of energy waste through programs that will cost-effectively do all of the following:

- (a) Diversify the resources used to reliably meet the energy needs of consumers in this state.
- (b) Provide greater energy security through the use of indigenous energy resources available within the state.
- (c) Encourage private investment in renewable energy and energy waste reduction.
- (d) Coordinate with federal regulations to provide improved air quality and other benefits to energy consumers and citizens of this state.
- (e) Remove unnecessary burdens on the appropriate use of solid waste as a clean energy source.

(3) As a goal, not less than 35% of this state's electric needs should be met through a combination of energy waste reduction and renewable energy by 2025, if the investments in energy waste reduction and renewable energy are the most reasonable means of meeting an electric utility's energy and capacity needs relative to other resource options. Both of the following count toward achievement of the goal:

(a) All renewable energy, including renewable energy credits purchased or otherwise acquired with or without the associated renewable energy, and any banked renewable energy credits, that counted toward the renewable energy standard on the effective date of the 2016 amendatory act that added this subsection, as well as renewable energy credits granted as a result of any investments made in renewable energy by the utility or a utility customer after that effective date.

(b) The sum of the annual electricity savings since October 6, 2008, as recognized by the commission through annual reconciliation proceedings, that resulted from energy waste reduction measures implemented under an energy optimization plan or energy waste reduction plan approved under section 73.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008;—Am. 2016, Act 342, Eff. Apr. 20, 2017.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1003 THIS SECTION IS AMENDED EFFECTIVE APRIL 20, 2017: See 460.1003.amended  
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**460.1003 Definitions; A to C.**

Sec. 3. As used in this act:

- (a) "Advanced cleaner energy" means electricity generated using an advanced cleaner energy system.

(b) "Advanced cleaner energy credit" means a credit certified under section 43 that represents generated advanced cleaner energy.

(c) "Advanced cleaner energy system" means any of the following:

(i) A gasification facility.

(ii) An industrial cogeneration facility.

(iii) A coal-fired electric generating facility if 85% or more of the carbon dioxide emissions are captured and permanently geologically sequestered.

(iv) An electric generating facility or system that uses technologies not in commercial operation on the effective date of this act.

(d) "Affiliated transmission company" means that term as defined in the electric transmission line certification act, 1995 PA 30, MCL 460.562.

(e) "Applicable regional transmission organization" means a nonprofit, member-based organization governed by an independent board of directors that serves as the federal energy regulatory commission-approved regional transmission organization with oversight responsibility for the region that includes the provider's service territory.

(f) "Biomass" means any organic matter that is not derived from fossil fuels, that can be converted to usable fuel for the production of energy, and that replenishes over a human, not a geological, time frame, including, but not limited to, all of the following:

(i) Agricultural crops and crop wastes.

(ii) Short-rotation energy crops.

(iii) Herbaceous plants.

(iv) Trees and wood, but only if derived from sustainably managed forests or procurement systems, as defined in section 261c of the management and budget act, 1984 PA 431, MCL 18.1261c.

(v) Paper and pulp products.

(vi) Precommercial wood thinning waste, brush, or yard waste.

(vii) Wood wastes and residues from the processing of wood products or paper.

(viii) Animal wastes.

(ix) Wastewater sludge or sewage.

(x) Aquatic plants.

(xi) Food production and processing waste.

(xii) Organic by-products from the production of biofuels.

(g) "Board" means the wind energy resource zone board created under section 143.

(h) "Carbon dioxide emissions benefits" means that the carbon dioxide emissions per megawatt hour of electricity generated by the advanced cleaner energy system are at least 85% less or, for an integrated gasification combined cycle facility, 70% less than the average carbon dioxide emissions per megawatt hour of electricity generated from all coal-fired electric generating facilities operating in this state on January 1, 2008.

(i) "Commission" means the Michigan public service commission.

(j) "Customer meter" means an electric meter of a provider's retail customer. Customer meter does not include a municipal water pumping meter or additional meters at a single site that were installed specifically to support interruptible air conditioning, interruptible water heating, net metering, or time-of-day tariffs.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1003amended THIS AMENDED SECTION IS EFFECTIVE APRIL 20, 2017 \*\*\*\*\*

#### **460.1003.amended Definitions; A to D.**

Sec. 3. As used in this act:

(a) "Applicable regional transmission organization" means a nonprofit, member-based organization governed by an independent board of directors that serves as the regional transmission organization approved by the Federal Energy Regulatory Commission with oversight responsibility for the region that includes the provider's service territory.

(b) "Biomass" means any organic matter that is not derived from fossil fuels, that can be converted to usable fuel for the production of energy, and that replenishes over a human, not a geological, time frame, including, but not limited to, all of the following:

(i) Agricultural crops and crop wastes.

(ii) Short-rotation energy crops.

- (iii) Herbaceous plants.
- (iv) Trees and wood, but only if derived from sustainably managed forests or procurement systems, as defined in section 261c of the management and budget act, 1984 PA 431, MCL 18.1261c.
- (v) Paper and pulp products.
- (vi) Precommercial wood thinning waste, brush, or yard waste.
- (vii) Wood wastes and residues from the processing of wood products or paper.
- (viii) Animal wastes.
- (ix) Wastewater sludge or sewage.
- (x) Aquatic plants.
- (xi) Food production and processing waste.
- (xii) Organic by-products from the production of biofuels.
- (c) "Board" means the wind energy resource zone board created under section 143.
- (d) "Carbon dioxide emissions benefits" means that the carbon dioxide emissions per megawatt hour of electricity generated by the advanced cleaner energy system are at least 85% less or, for an integrated gasification combined cycle facility or an integrated pyrolysis combined cycle facility, 70% less than the average carbon dioxide emissions per megawatt hour of electricity generated from all coal-fired electric generating facilities operating in this state on January 1, 2008.
- (e) "Cogeneration facility" means a facility that produces both electricity and useful thermal energy, such as heat or steam, in a way that is more efficient than the separate production of those forms of energy.
- (f) "Commission" means the Michigan public service commission.
- (g) "Customer meter" means an electric meter of a provider's retail customer. Customer meter does not include a municipal water pumping meter or additional meters at a single site that were installed specifically to support interruptible air conditioning, interruptible water heating, net metering, or time-of-day tariffs.
- (h) "Distributed generation program" means the program established by the commission under section 173.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008;—Am. 2016, Act 342, Eff. Apr. 20, 2017.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1005 THIS SECTION IS AMENDED EFFECTIVE APRIL 20, 2017: See 460.1005.amended \*\*\*\*\*

#### **460.1005 Definitions; E, F.**

Sec. 5. As used in this act:

- (a) "Electric provider", subject to sections 21(1), 23(1), and 25(1), means any of the following:
  - (i) Any person or entity that is regulated by the commission for the purpose of selling electricity to retail customers in this state.
  - (ii) A municipally-owned electric utility in this state.
  - (iii) A cooperative electric utility in this state.
  - (iv) Except as used in subpart B of part 2, an alternative electric supplier licensed under section 10a of 1939 PA 3, MCL 460.10a.
- (b) "Eligible electric generator" means that a methane digester or renewable energy system with a generation capacity limited to the customer's electric need and that does not exceed the following:
  - (i) For a renewable energy system, 150 kilowatts of aggregate generation at a single site.
  - (ii) For a methane digester, 550 kilowatts of aggregate generation at a single site.
- (c) "Energy conservation" means the reduction of customer energy use through the installation of measures or changes in energy usage behavior. Energy conservation does not include the use of advanced cleaner energy systems.
- (d) "Energy efficiency" means a decrease in customer consumption of electricity or natural gas achieved through measures or programs that target customer behavior, equipment, devices, or materials without reducing the quality of energy services.
- (e) "Energy optimization", subject to subdivision (f), means all of the following:
  - (i) Energy efficiency.
  - (ii) Load management, to the extent that the load management reduces overall energy usage.
  - (iii) Energy conservation, but only to the extent that the decreases in the consumption of electricity produced by energy conservation are objectively measurable and attributable to an energy optimization plan.
- (f) Energy optimization does not include electric provider infrastructure projects that are approved for cost recovery by the commission other than as provided in this act.
- (g) "Energy optimization credit" means a credit certified pursuant to section 87 that represents achieved

energy optimization.

(h) "Energy optimization plan" or "EO plan" means a plan under section 71.

(i) "Energy optimization standard" means the minimum energy savings required to be achieved under section 77.

(j) "Energy star" means the voluntary partnership among the United States department of energy, the United States environmental protection agency, product manufacturers, local utilities, and retailers to help promote energy efficient products by labeling with the energy star logo, educate consumers about the benefits of energy efficiency, and help promote energy efficiency in buildings by benchmarking and rating energy performance.

(k) "Federal approval" means approval by the applicable regional transmission organization or other federal energy regulatory commission approved transmission planning process of a transmission project that includes the transmission line. Federal approval may be evidenced in any of the following manners:

(i) The proposed transmission line is part of a transmission project included in the applicable regional transmission organization's board-approved transmission expansion plan.

(ii) The applicable regional transmission organization has informed the electric utility, affiliated transmission company, or independent transmission company that a transmission project submitted for an out-of-cycle project review has been approved by the applicable regional transmission organization, and the approved transmission project includes the proposed transmission line.

(iii) If, after the effective date of this act, the applicable regional transmission organization utilizes another approval process for transmission projects proposed by an electric utility, affiliated transmission company, or independent transmission company, the proposed transmission line is included in a transmission project approved by the applicable regional transmission organization through the approval process developed after the effective date of this act.

(iv) Any other federal energy regulatory commission approved transmission planning process for a transmission project.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1005.amended THIS AMENDED SECTION IS EFFECTIVE APRIL 20, 2017 \*\*\*\*\*

#### **460.1005.amended Definitions; E, F.**

Sec. 5. As used in this act:

(a) "Electric provider" means any of the following:

(i) Any person or entity that is regulated by the commission for the purpose of selling electricity to retail customers in this state.

(ii) A municipally owned electric utility in this state.

(iii) A cooperative electric utility in this state.

(iv) Except as used in subpart C of part 2, an alternative electric supplier licensed under section 10a of 1939 PA 3, MCL 460.10a.

(b) "Eligible electric generator" means a methane digester or renewable energy system with a generation capacity limited to the customer's electric need and that does not exceed the following:

(i) For a renewable energy system, 150 kilowatts of aggregate generation at a single site.

(ii) For a methane digester, 550 kilowatts of aggregate generation at a single site.

(c) "Energy conservation" means the reduction of customer energy use through the installation of measures or changes in energy usage behavior.

(d) "Energy efficiency" means a decrease in customer consumption of electricity or natural gas achieved through measures or programs that target customer behavior, equipment, devices, or materials without reducing the quality of energy services.

(e) "Energy star" means the voluntary partnership among the United States Department of Energy, the United States Environmental Protection Agency, product manufacturers, local utilities, and retailers to help promote energy efficient products by labeling with the energy star logo, educate consumers about the benefits of energy efficiency, and help promote energy efficiency in buildings by benchmarking and rating energy performance.

(f) "Energy waste reduction", subject to subdivision (g), means all of the following:

(i) Energy efficiency.

(ii) Load management, to the extent that the load management reduces provider costs.

(iii) Energy conservation, but only to the extent that the decreases in the consumption of electricity

produced by energy conservation are objectively measurable and attributable to an energy waste reduction plan.

(g) Energy waste reduction does not include electric provider infrastructure projects that are approved for cost recovery by the commission other than as provided in this act.

(h) "Energy waste reduction credit" means a credit certified pursuant to section 87 that represents achieved energy waste reduction.

(i) "Energy waste reduction plan" means a plan under section 71.

(j) "Energy waste reduction standard" means the minimum energy savings required to be achieved under section 77 or 78(1), as applicable.

(k) "Federal approval" means approval by the applicable regional transmission organization or other Federal Energy Regulatory Commission-approved transmission planning process of a transmission project that includes the transmission line. Federal approval may be evidenced in any of the following manners:

(i) The proposed transmission line is part of a transmission project included in the applicable regional transmission organization's board-approved transmission expansion plan.

(ii) The applicable regional transmission organization has informed the electric utility, affiliated transmission company, or independent transmission company that a transmission project submitted for an out-of-cycle project review has been approved by the applicable regional transmission organization, and the approved transmission project includes the proposed transmission line.

(iii) If, after October 6, 2008, the applicable regional transmission organization utilizes another approval process for transmission projects proposed by an electric utility, affiliated transmission company, or independent transmission company, the proposed transmission line is included in a transmission project approved by the applicable regional transmission organization through the approval process developed after October 6, 2008.

(iv) Any other Federal Energy Regulatory Commission-approved transmission planning process for a transmission project.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008;—Am. 2016, Act 342, Eff. Apr. 20, 2017.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1007 THIS SECTION IS AMENDED EFFECTIVE APRIL 20, 2017: See 460.1007.amended

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#### **460.1007 Definitions; G to M.**

Sec. 7. As used in this act:

(a) "Gasification facility" means a facility located in this state that uses a thermochemical process that does not involve direct combustion to produce synthesis gas, composed of carbon monoxide and hydrogen, from carbon-based feedstocks (such as coal, petroleum coke, wood, biomass, hazardous waste, medical waste, industrial waste, and solid waste, including, but not limited to, municipal solid waste, electronic waste, and waste described in section 11514 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11514) and that uses the synthesis gas or a mixture of the synthesis gas and methane to generate electricity for commercial use. Gasification facility includes the transmission lines, gas transportation lines and facilities, and associated property and equipment specifically attributable to such a facility. Gasification facility includes, but is not limited to, an integrated gasification combined cycle facility and a plasma arc gasification facility.

(b) "Incremental costs of compliance" means the net revenue required by an electric provider to comply with the renewable energy standard, calculated as provided under section 47.

(c) "Independent transmission company" means that term as defined in section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562.

(d) "Industrial cogeneration facility" means a facility that generates electricity using industrial thermal energy or industrial waste energy.

(e) "Industrial thermal energy" means thermal energy that is a by-product of an industrial or manufacturing process and that would otherwise be wasted. For the purposes of this subdivision, industrial or manufacturing process does not include the generation of electricity.

(f) "Industrial waste energy" means exhaust gas or flue gas that is a by-product of an industrial or manufacturing process and that would otherwise be wasted. For the purposes of this subdivision, industrial or manufacturing process does not include the generation of electricity.

(g) "Integrated gasification combined cycle facility" means a gasification facility that uses a thermochemical process, including high temperatures and controlled amounts of air and oxygen, to break



substances down into their molecular structures and that uses exhaust heat to generate electricity.

(h) "LEED" means the leadership in energy and environmental design green building rating system developed by the United States green building council.

(i) "Load management" means measures or programs that target equipment or devices to result in decreased peak electricity demand such as by shifting demand from a peak to an off-peak period.

(j) "Modified net metering" means a utility billing method that applies the power supply component of the full retail rate to the net of the bidirectional flow of kilowatt hours across the customer interconnection with the utility distribution system, during a billing period or time-of-use pricing period. A negative net metered quantity during the billing period or during each time-of-use pricing period within the billing period reflects net excess generation for which the customer is entitled to receive credit under section 177(4). Standby charges for modified net metering customers on an energy rate schedule shall be equal to the retail distribution charge applied to the imputed customer usage during the billing period. The imputed customer usage is calculated as the sum of the metered on-site generation and the net of the bidirectional flow of power across the customer interconnection during the billing period. The commission shall establish standby charges for modified net metering customers on demand-based rate schedules that provide an equivalent contribution to utility system costs.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1007.amended THIS AMENDED SECTION IS EFFECTIVE APRIL 20, 2017 \*\*\*\*\*

#### **460.1007.amended Definitions; G to M.**

Sec. 7. As used in this act:

(a) "Gasification facility" means a facility located in this state that, using a thermochemical process that does not involve direct combustion, produces synthesis gas, composed of carbon monoxide and hydrogen, from carbon-based feedstocks (such as coal, petroleum coke, wood, biomass, hazardous waste, medical waste, industrial waste, and solid waste, including, but not limited to, municipal solid waste, electronic waste, and waste described in section 11514 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11514) and that uses the synthesis gas or a mixture of the synthesis gas and methane to generate electricity for commercial use. Gasification facility includes the transmission lines, gas transportation lines and facilities, and associated property and equipment specifically attributable to such a facility. Gasification facility includes, but is not limited to, an integrated gasification combined cycle facility and a plasma arc gasification facility.

(b) "Incremental costs of compliance" means the net revenue required by an electric provider to comply with the renewable energy standard, calculated as provided under section 47.

(c) "Independent transmission company" means that term as defined in section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562.

(d) "Integrated gasification combined cycle facility" means a gasification facility that uses a thermochemical process, including high temperatures and controlled amounts of air and oxygen, to break substances down into their molecular structures and that uses exhaust heat to generate electricity.

(e) "Integrated pyrolysis combined cycle facility" means a pyrolysis facility that uses exhaust heat to generate electricity.

(f) "LEED" means the leadership in energy and environmental design green building rating system developed by the United States Green Building Council.

(g) "Load management" means measures or programs that target equipment or behavior to result in decreased peak electricity demand such as by shifting demand from a peak to an off-peak period.

(h) "Megawatt", "megawatt hour", or "megawatt hour of electricity", unless the context implies otherwise, includes the steam equivalent of a megawatt or megawatt hour of electricity.

(i) "Modified net metering" means a utility billing method that applies the power supply component of the full retail rate to the net of the bidirectional flow of kilowatt hours across the customer interconnection with the utility distribution system, during a billing period or time-of-use pricing period. A negative net metered quantity during the billing period or during each time-of-use pricing period within the billing period reflects net excess generation for which the customer is entitled to receive credit under section 177(4). Under modified net metering, standby charges for distributed generation customers on an energy rate schedule shall be equal to the retail distribution charge applied to the imputed customer usage during the billing period. The imputed customer usage is calculated as the sum of the metered on-site generation and the net of the bidirectional flow of power across the customer interconnection during the billing period. The commission

shall establish standby charges under modified net metering for distributed generation customers on demand-based rate schedules that provide an equivalent contribution to utility system costs. A charge for net metering and distributed generation customers established pursuant to section 6a of 1939 PA 3, MCL 460.6a, shall not be recovered more than once. This subdivision is subject to section 177(5).

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008;—Am. 2016, Act 342, Eff. Apr. 20, 2017.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1009 THIS SECTION IS AMENDED EFFECTIVE APRIL 20, 2017: See 460.1009.amended \*\*\*\*\*

#### **460.1009 Definitions; N to Q.**

Sec. 9. As used in this act:

(a) "Natural gas provider" means an investor-owned business engaged in the sale and distribution of natural gas within this state whose rates are regulated by the commission. However, as used in subpart B of part 2, natural gas provider does not include an alternative gas supplier licensed under section 9b of 1939 PA 3, MCL 460.9b.

(b) "Plasma arc gasification facility" means a gasification facility that uses a plasma torch to break substances down into their molecular structures.

(c) "Provider" means an electric provider or a natural gas provider.

(d) "PURPA" means the public utility regulatory policies act of 1978, Public Law 95-617.

(e) "Qualifying small power production facility" means that term as defined in 16 USC 824a-3.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1009.amended THIS AMENDED SECTION IS EFFECTIVE APRIL 20, 2017 \*\*\*\*\*

#### **460.1009.amended Definitions; N to P.**

Sec. 9. As used in this act:

(a) "Natural gas provider" means an investor-owned business engaged in the sale and distribution at retail of natural gas within this state whose rates are regulated by the commission.

(b) "Pet coke" means a solid carbonaceous residue produced from a coker after cracking and distillation from petroleum refining operations.

(c) "Plasma arc gasification facility" means a gasification facility that uses a plasma torch to break substances down into their molecular structures.

(d) "Provider" means an electric provider or a natural gas provider.

(e) "PURPA" means the public utility regulatory policies act of 1978, Public Law 95-617.

(f) "Pyrolysis facility" means a facility that effects thermochemical decomposition at elevated temperatures without the participation of oxygen, from carbon-based feedstocks including, but not limited to, coal, wood, biomass, industrial waste, or solid waste, but not including pet coke, hazardous waste, coal waste, or scrap tires. Pyrolysis facility includes the transmission lines, gas transportation lines and facilities, and associated property and equipment specifically attributable to the facility. Pyrolysis facility includes, but is not limited to, an integrated pyrolysis combined cycle facility.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008;—Am. 2016, Act 342, Eff. Apr. 20, 2017.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1011 THIS SECTION IS AMENDED EFFECTIVE APRIL 20, 2017: See 460.1011.amended \*\*\*\*\*

#### **460.1011 Definitions; R.**

Sec. 11. As used in this act:

(a) "Renewable energy" means electricity generated using a renewable energy system.

(b) "Renewable energy capacity portfolio" means the number of megawatts calculated under section 27(2) for a particular year.

(c) "Renewable energy contract" means a contract to acquire renewable energy and the associated renewable energy credits from 1 or more renewable energy systems.

(d) "Renewable energy credit" means a credit granted pursuant to section 41 that represents generated

renewable energy.

(e) "Renewable energy credit portfolio" means the sum of the renewable energy credits achieved by a provider for a particular year.

(f) "Renewable energy credit standard" means a minimum renewable energy portfolio required under section 27.

(g) "Renewable energy generator" means a person that, together with its affiliates, has constructed or has owned and operated 1 or more renewable energy systems with combined gross generating capacity of at least 10 megawatts.

(h) "Renewable energy plan" or "plan", means a plan approved under section 21 or 23 or found to comply with this act under section 25, with any amendments adopted under this act.

(i) "Renewable energy resource" means a resource that naturally replenishes over a human, not a geological, time frame and that is ultimately derived from solar power, water power, or wind power. Renewable energy resource does not include petroleum, nuclear, natural gas, or coal. A renewable energy resource comes from the sun or from thermal inertia of the earth and minimizes the output of toxic material in the conversion of the energy and includes, but is not limited to, all of the following:

(i) Biomass.

(ii) Solar and solar thermal energy.

(iii) Wind energy.

(iv) Kinetic energy of moving water, including all of the following:

(A) Waves, tides, or currents.

(B) Water released through a dam.

(v) Geothermal energy.

(vi) Municipal solid waste.

(vii) Landfill gas produced by municipal solid waste.

(j) "Renewable energy standard" means the minimum renewable energy capacity portfolio, if applicable, and the renewable energy credit portfolio required to be achieved under section 27.

(k) "Renewable energy system" means a facility, electricity generation system, or set of electricity generation systems that use 1 or more renewable energy resources to generate electricity. Renewable energy system does not include any of the following:

(i) A hydroelectric pumped storage facility.

(ii) A hydroelectric facility that uses a dam constructed after the effective date of this act unless the dam is a repair or replacement of a dam in existence on the effective date of this act or an upgrade of a dam in existence on the effective date of this act that increases its energy efficiency.

(iii) An incinerator unless the incinerator is a municipal solid waste incinerator as defined in section 11504 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11504, that was brought into service before the effective date of this act, including any of the following:

(A) Any upgrade of such an incinerator that increases energy efficiency.

(B) Any expansion of such an incinerator before the effective date of this act.

(C) Any expansion of such an incinerator on or after the effective date of this act to an approximate design rated capacity of not more than 950 tons per day pursuant to the terms of a final request for proposals issued on or before October 1, 1986.

(l) "Revenue recovery mechanism" means the mechanism for recovery of incremental costs of compliance established under section 21.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1011.amended THIS AMENDED SECTION IS EFFECTIVE APRIL 20, 2017 \*\*\*\*\*

#### **460.1011.amended Definitions; R.**

Sec. 11. As used in this act:

(a) "Renewable energy" means electricity or steam generated using a renewable energy system.

(b) "Renewable energy contract" means a contract to acquire renewable energy and the associated renewable energy credits from 1 or more renewable energy systems.

(c) "Renewable energy credit" means a credit granted under a certification and tracking program established under section 41, which represents generated renewable energy.

(d) "Renewable energy credit portfolio" means the sum of the renewable energy credits achieved by a provider for a particular year.



(e) "Renewable energy credit standard" means a minimum renewable energy credit portfolio required under section 28 or former section 27.

(f) "Renewable energy plan" or "plan" means a plan approved under section 22 or former section 21 or 23 or found to comply with this act under former section 25, with any amendments adopted under this act.

(g) "Renewable energy resource" means a resource that naturally replenishes over a human, not a geological, time frame and that is ultimately derived from solar power, water power, or wind power. Renewable energy resource does not include petroleum, nuclear, natural gas, or coal. A renewable energy resource comes from the sun or from thermal inertia of the earth and minimizes the output of toxic material in the conversion of the energy and includes, but is not limited to, all of the following:

(i) Biomass.

(ii) Solar and solar thermal energy.

(iii) Wind energy.

(iv) Kinetic energy of moving water, including all of the following:

(A) Waves, tides, or currents.

(B) Water released through a dam.

(v) Geothermal energy.

(vi) Thermal energy produced from a geothermal heat pump.

(vii) Any of the following cleaner energy resources:

(A) Municipal solid waste, including the biogenic and anthropogenic fractions.

(B) Landfill gas produced by municipal solid waste.

(C) Fuel that has been manufactured in whole or significant part from waste, including, but not limited to, municipal solid waste. Fuel that meets the requirements of this subparagraph includes, but is not limited to, material that is listed under 40 CFR 241.3(b) or 241.4(a) or for which a nonwaste determination is made by the United States Environmental Protection Agency pursuant to 40 CFR 241.3(c). Pet coke, hazardous waste, coal waste, or scrap tires are not fuel that meets the requirements of this subparagraph.

(h) "Renewable energy standard" means the minimum renewable energy capacity portfolio, if applicable, and the renewable energy credit portfolio required to be achieved under section 28 or former section 27.

(i) "Renewable energy system" means a facility, electricity generation system, or set of electricity generation systems that use 1 or more renewable energy resources to generate electricity or steam. Renewable energy system does not include any of the following:

(i) A hydroelectric pumped storage facility.

(ii) A hydroelectric facility that uses a dam constructed after October 6, 2008 unless the dam is a repair or replacement of a dam in existence on October 6, 2008 or an upgrade of a dam in existence on October 6, 2008 that increases its energy efficiency.

(iii) An incinerator unless the incinerator is a municipal solid waste incinerator as defined in section 11504 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11504.

(j) "Revenue recovery mechanism" means the mechanism for recovery of incremental costs of compliance provided for under section 22.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008;—Am. 2016, Act 342, Eff. Apr. 20, 2017.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1013 THIS SECTION IS AMENDED EFFECTIVE APRIL 20, 2017: See 460.1013.amended

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#### **460.1013 Definitions; S to W.**

Sec. 13. As used in this act:

(a) "Site" means a contiguous site, regardless of the number of meters at that site. A site that would be contiguous but for the presence of a street, road, or highway shall be considered to be contiguous for the purposes of this subdivision.

(b) "Transmission line" means all structures, equipment, and real property necessary to transfer electricity at system bulk supply voltage of 100 kilovolts or more.

(c) "True net metering" means a utility billing method that applies the full retail rate to the net of the bidirectional flow of kilowatt hours across the customer interconnection with the utility distribution system, during a billing period or time-of-use pricing period. A negative net metered quantity during the billing period or during each time-of-use pricing period within the billing period reflects net excess generation for which the customer is entitled to receive credit under section 177(4).

(d) "Utility system resource cost test" means a standard that is met for an investment in energy

optimization if, on a life cycle basis, the total avoided supply-side costs to the provider, including representative values for electricity or natural gas supply, transmission, distribution, and other associated costs, are greater than the total costs to the provider of administering and delivering the energy optimization program, including net costs for any provider incentives paid by customers and capitalized costs recovered under section 89.

(e) "Wind energy conversion system" means a renewable energy system that uses 1 or more wind turbines to generate electricity and has a nameplate capacity of 100 kilowatts or more.

(f) "Wind energy resource zone" or "wind zone" means an area designated by the commission under section 147.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

\*\*\*\*\* 460.1013.amended THIS AMENDED SECTION IS EFFECTIVE APRIL 20, 2017 \*\*\*\*\*

#### **460.1013.amended Definitions; S to W.**

Sec. 13. As used in this act:

(a) "Site" means a contiguous site, regardless of the number of meters at that site. A site that would be contiguous but for the presence of a street, road, or highway is considered to be contiguous for the purposes of this subdivision.

(b) "Transmission line" means all structures, equipment, and real property necessary to transfer electricity at system bulk supply voltage of 100 kilovolts or more.

(c) "True net metering" means a utility billing method that applies the full retail rate to the net of the bidirectional flow of kilowatt hours across the customer interconnection with the utility distribution system, during a billing period or time-of-use pricing period. A negative net metered quantity during the billing period or during each time-of-use pricing period within the billing period reflects net excess generation for which the customer is entitled to receive credit under section 177(4). This subdivision is subject to section 177(5).

(d) "Utility system resource cost test" means a standard that is met for an investment in energy waste reduction if, on a life cycle basis, the total avoided supply-side costs to the provider, including representative values for electricity or natural gas supply, transmission, distribution, and other associated costs, are greater than the total costs to the provider of administering and delivering the energy waste reduction program, including net costs for any provider incentives paid by customers and capitalized costs recovered under section 89.

(e) "Wind energy conversion system" means a system that uses 1 or more wind turbines to generate electricity and has a nameplate capacity of 100 kilowatts or more.

(f) "Wind energy resource zone" or "wind zone" means an area designated by the commission under section 147.

**History:** 2008, Act 295, Imd. Eff. Oct. 6, 2008;—Am. 2016, Act 342, Eff. Apr. 20, 2017.

**Compiler's note:** Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."